

FEDERAL ELECTION COMMISSION

In the matter of : The November Fund

Bill Sittman, Treasurer

U.S. Chamber of Commerce

Tom Donohue, President

Bush-Cheney '04

Ken Mehlman, Campaign Manager

MUR No.: _____

COMPLAINT

1. Citizens for Responsibility and Ethics in Washington hereby brings this complaint before the Federal Election Commission ("FEC") seeking an immediate FEC investigation and enforcement action against The November Fund, November Fund Treasurer Bill Sittman, the U.S. Chamber of Commerce, Chamber of Commerce President Tom Donohue, Bush-Cheney '04, and Bush-Cheney '04 Campaign Manager Ken Mehlman for direct and serious violations of federal campaign finance law.

Complainant

2. Citizens for Responsibility and Ethics In Washington ("CREW") is a non-profit, non-partisan organization dedicated to ensuring accountability in public officials.

Respondents

3. The November Fund ("the Fund") is a group organized under section 527 of the Internal Revenue Code. According to the Fund's I.R.S. Form 8871 (attached as Exhibit A), the Fund's purpose is "to engage in political activities that educate the general public regarding the public policy positions of candidates for federal, state, and local office and mobilize voters in compliance with state and federal law."

4. The United States Chamber of Commerce is a non-profit corporation that advocates for the interests of business.

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5. Bush-Cheney '04 is the principal campaign committee for the effort to re-elect Mr. Bush and Mr. Cheney to their respective offices of President of the United States and Vice-President of the United States. The committee is registered with the FEC.

6. Ken Mehlman is the Campaign Manager of Bush-Cheney '04. Before moving to the campaign, Mr. Mehlman worked in the Executive Office of the President as Deputy Assistant to the President and Director of Political Affairs. Prior to his work in the White House, Mr. Mehlman served as the National Field Director of Bush-Cheney '00.

Jurisdiction

7. The Commission has the authority to take enforcement action based on a complaint where it finds reason to believe that a person "has committed, or is about to commit," a violation of the law." 2 U.S.C. §§ 437g(a)(2), 437g(a)(4)(A)(i), 437g(a)(6)(A); *see also* 11 C.F.R. § 111.4(a) ("Any person who believes that a violation . . . has occurred or is about to occur may file a complaint . . ."). Based on published reports, The November Fund has committed and is about to commit violations of the law by raising and spending significant amounts of soft money – including large corporate contributions – to influence the 2004 presidential elections. Moreover, the Fund is doing so without registering as a federal political committee and without complying with the rules applicable to such political committees. As a result, it is imperative that the Commission act expeditiously to prevent the violations of law threatened by the Fund.

Factual Allegations

8. Bush-Cheney '04 Campaign Manager Ken Mehlman and members of various trade association groups met at a closed door meeting sponsored by the Chamber of Commerce

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on April 19, 2004. *The Hill*, April 20, 2004 (attached as Exhibit B). At the meeting, Mehlman and the groups discussed get-out-the-vote practices for the presidential election. The meeting was apparently part of a larger effort by the Bush-Cheney Campaign to recruit trade associations to help with the President's re-election. *Id.*

9. On August 24, 2004, the Chamber of Commerce announced its plan to support the November Fund, a 527 organization newly formed by the Chamber. Shera Dalin, U.S. Chamber will help pay for ads attacking Edwards, trial lawyers, *St. Louis Post-Dispatch*, August 24, 2004 (attached as Exhibit C). The November Fund is co-chaired by Craig Fuller, former chief of staff to Vice President George H.W. Bush, and Bill Brock, a former Tennessee senator and past chairman of the Republican National Committee. The November Fund plans to educate voters "about the devastating impact of a runaway legal system." Stephanie Francis Ward, Ads Set to Target Trial Lawyers, *ABA Journal and Report*, September 3, 2004 (attached as Exhibit D).

10. On August 25, 2004, Ken Rietz, director of the November Fund, told the Associated Press that the Fund plans to use TV ads and mailings that would feature Democratic Vice Presidential Nominee, Senator John Edwards, a former plaintiffs attorney. Bill Krueger, Ads to Direct Fire at Lawyers, Edwards, *Associated Press*, August 25, 2004 (attached as Exhibit E). Mr. Rietz's statement was confirmed by Shelly Hymes, who works for the Fund in public relations. *ABA Journal*.

11. In an August 24, 2004 November Fund press release, co-chair Bill Brock said "... it is time to tell the truth about the role John Edwards and the trial lawyers have played in driving up healthcare costs." (Press release attached as Exhibit F).

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12. The November Fund's web site "thetruthabouttriallawyers.com" is not focused on trial lawyers *per se*, but on the relationship between trial lawyers and the Democratic party, Senator Kerry, and Senator Edwards. The home page displays a large photograph of Senator John Edwards and a somewhat smaller photograph of Senator John Kerry. On the right side of the page, viewers can peruse five topic areas: "Who's Really Behind The Kerry-Edwards Campaign?"; "How Much Do Junk Lawsuits Cost You?"; "John Edwards: True To His Courtroom Roots"; "The War on America's Health Care System"; and "The Class Action Racket." Every one of these sections includes heated rhetoric denouncing the relationship between Senators Edwards and Kerry and unnamed trial lawyers. For example:

The Kerry-Edwards campaign is tainted by the influence of personal-injury lawyers. As the nation's most powerful special interest group, trial lawyers all but run the Democratic party. Year after year, they funnel millions of dollars into the Democrats' purses, secure in the knowledge that their donations will protect them against legislation that could stop them from exploiting the legal system.

13. Moreover, some of the comments, do not even relate to trial lawyers. For example, the "John Edwards: True To His Courtroom Roots" section includes:

According to *Congressional Quarterly*, Edwards consistently votes along Democratic Party lines. Rather than cooperating with Republican and Independent Senators like his Democratic colleagues Senators Breaux and Nelson, Edwards stubbornly refuses to compromise on highly partisan issues.

The same section also states "since Edwards began campaigning for the White House, he has been absent for nearly half of all Congressional votes."

14. According to the *New York Times*, the November Fund plans to raise and spend \$10 million attacking Senator Edwards and his connection to trial lawyers. Glen Justice, G.O.P. Group Says It's Ready to Wage Ad War, *The New York Times*, August 25, 2004 (attached as

Exhibit G). Eric Wohlschlegel, the Chamber's director of media relations, said that the Chamber gave an initial \$500,000 to the November Fund and is "planning to raise millions more." *ABA Journal*.

15. Chamber of Commerce Chief Executive Officer and President Tom Donohue, one of the founders of The November Fund, stated that the Chamber of Commerce plans to give the Fund "significantly more" money and said "I'm going to help them raise funds." Alan Murray, Republicans Form '527 Group to Run Anti-Edwards Spots, *Wall Street Journal*, August 24, 2004 (attached as Exhibit H).

COUNT I

16. The November Fund is a "political committee" under the Federal Election Campaign Act ("FECA") because it is an entity which has as a "major purpose" the intent to influence a federal election and it has received contributions or made expenditures of over \$1,000 in a calendar year. *See* 2 U.S.C. §431(4). A "contribution" is defined as "any gift, subscription, loan, advance, or deposit of money or anything of value made by any person for the purpose of influencing any election for Federal office . . ." 2 U.S.C. §431(8)(A). Similarly, an expenditure is defined as "any purchase, payment, distribution, loan, advance, deposit, or gift of money or anything of value, made by any person for the purpose of influencing any election for Federal office . . ." 2 U.S.C. §431(9)(A).

17. Any entity which meets the definition of "political committee" must file a "statement of organization" with the Commission and file periodic disclosure reports of its receipts and disbursements. 2 U.S.C. §§ 433, 434. In addition, a "political committee" is subject to contribution limits and source prohibitions on the contributions it may receive and make. 2 U.S.C. §§ 441a(a)(1), 441a(a)(2), 441b(a), 441a(f). A political committee may not receive more

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than \$5,000 per year from an individual donor and may not receive any contributions from unions or corporations. 2 U.S.C. §§ 441a(a)(1)(C), 441b(a).

18. In Buckley v. Valeo, 424 U.S. 1, 79 (1976), the Supreme Court construed the term "political committee" to encompass "organizations that are under the control of a candidate or the major purpose of which is the nomination or election of a candidate. In FEC v. Massachusetts Citizens for Life, 479 U.S. 238, 262 (1986), the Supreme Court noted that if a group's independent spending activities "become so extensive that the organization's major purpose may be regarded as campaign activity, the corporation would be classified as a political committee." If this occurred, the Court continued, the group would become subject to the "obligations and restrictions applicable to those groups whose primary objective is to influence political campaigns." Id.

19. In FEC v. GOPAC, 917 F.Supp. 851, 859 (D.D.C. 1996), the District of Columbia district court held that an organization is a "political committee" under the FECA if it received or expended \$1,000 or more and had as its major purpose the election of a particular candidate or candidates for federal office. The court stated that an organization's major purpose "may be evidenced by its public statements of its purpose or by other means, such as its expenditures in case or in kind, to or for the benefit of a particular candidate or candidates." Id.

20. Applying the "major purpose" test to the November Fund, the Commission first must consider whether the Fund has a "major purpose" of influencing the election of a particular candidate or candidates for federal office. In explaining why he took a leave of absence from his position as Chief Operating Officer Burson-Marsteller to serve as the Fund's director, Ken Rietz stated: "Burson has a policy of not being involved in candidates' campaigns in any way, so I

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took a leave of absence so the company would not be involved. *PR Week*, August 30, 2004 (attached as Exhibit I). As the Fund was created in August 2004 by the Chamber of Commerce for the express purpose of defeating Federal candidate John Edwards – as admitted by the Fund’s director – The November Fund clearly meets the first prong of the test.

21. The second prong is met if a committee with a major purpose of influencing the election of a candidate for federal office receives “contributions” or makes “expenditures” aggregating in excess of \$1,000 in a calendar year. The test for whether something constitutes an “expenditure” is whether a disbursement is made “for the purpose of influencing” any federal election. The November Fund received an initial \$500,000 contribution from the U.S. Chamber of Commerce and has indicated that it plans to raise millions of dollars more, all within the next two and a half months, for the purpose of influencing the upcoming November presidential election. Further, The November Fund has indicated that it plans to spend its money on advertisements in both print and on television attacking or opposing Senator John Edwards. These disbursements, therefore, are “for the purpose of influencing a federal election and thus constitute prohibited expenditures under the law.

22. As the Fund’s activities clearly meet the “major purpose” test, the Fund is subject to the contribution limits, source prohibitions and reporting requirements that apply to all federal political committees. Because it has not complied with these requirements, the Fund is in violation of the law.

COUNT II

23. The November Fund, by coordinating its activities with Bush-Cheney ‘04, is in violation of the FECA. 11 C.F.R. §109.21. An expenditure is coordinated if it meets a three part test: the communication is paid for by someone other than the candidate, the candidate’s

committee, a political party or agent of any of the three; and it satisfies the Commission's content and conduct standards. 11 C.F.R. 109.21(a). "Coordinated" means "made in cooperation, consultation, or concert with, or at the request or suggestion of a candidate, a candidate's authorized committee, or their agents . . ." 2 U.S.C. §441a(a)(7), 11 C.F.R. §109.20(a).

24. The "content standard" is satisfied when a communication: is an "electioneering communication," when it redistributes campaign material to the public, when it expressly advocates a clearly identified federal candidate, or when it is a public communication mentioning a clearly identified political candidate. 11 C.F.R. §100.26

25. The "conduct standard" is satisfied – whether or not there is agreement or formal collaboration – if 1) "the communication is created, produced or distributed at the request or suggestion of a candidate, or an authorized committee, political party committee, or agent of any of the foregoing;" or 2) "the communication is created, produced, or distributed at the suggestion of a person paying for the communication and the candidate, authorized committee, political party committee or agent of any of the foregoing, assents to the suggestion." 11 C.F.R. §§109.21(d)(1)(i), 109.21(d)(1)(ii).

26. The "conduct standard" may also be satisfied if "a candidate, an authorized committee, a political party committee or an agent of any of the foregoing" is "materially involved" in deciding the content or intended audience of the communication, the mode of communication, the media outlet to be used, the timing or frequency of the communication or the size, prominence or duration of a communication. 11 C.F.R. §109.21(d)(2).

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27. Finally, the "conduct standard" can also be met if: 1) substantial discussions occur between the person paying for the communication, or employees or agents of that person, and the candidate, the candidate's committee, political party committee or agents; 2) the communication is made by a common vendor and the vendor uses or conveys information between the candidate or political party and the person paying for the communications; 3) the communication is made by using a former employee of the candidate, the candidate's committee or political party committee and the information is used or conveyed to the person paying; or 4) the communication redistributes campaign material. 11 C.F.R. §109.21(d).

28. Applying the three part test, the payment prong is met because the communications are to be paid for by The November Fund, which is not a candidate, a candidate's committee, a political party, or agent of any of the three. 11 C.F.R. §109.21(a).

29. The "content standard" is met because, according to the Fund leadership, the communications will advocate the defeat of clearly defined Federal candidates: Senators John Kerry and John Edwards who are running for President and Vice President, respectively. See 11 C.F.R. § 109.21(a)(2). Ken Rietz, director of The November Fund, told the Associated Press that the Fund plans to use television ads and mailings that would feature a named Federal candidate, Senator John Edwards, and co-chair Bill Brock said "... it is time to tell the truth about the role John Edwards and the trial lawyers have played in driving up healthcare costs." (Exs. E, F).

30. The "content standard" is further satisfied by the television ads the Fund is proposing, which constitute "public communications" because the ads will refer to a clearly identified candidate for Federal office; the ads will, by necessity, be disseminated within 120 days of the election; and the ads are directed to voters. 11 C.F.R. §109.21(c)(4).

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31. The "conduct standard" requires a review of the leadership of The November Fund. Craig Fuller is co-chair of The November Fund as well as a director of the U.S. Chamber of Commerce. In addition, since 1999, Mr. Fuller has served as the Chief Executive Officer of the National Association of Drug Stores. In that position, Mr. Fuller has worked closely with the Bush Administration to prevent the importation of prescription drugs from Canada and to pass the 2003 Medicare Reform Bill. Previously, Mr. Fuller served as an Assistant to President Reagan for Cabinet Affairs, as Chief of Staff to Vice President George Bush and as the Chair of the 1992 Republican National Convention.

32. William Brock is a co-chair of The November Fund. Mr. Brock has a lengthy record in Republican party politics. He is a former Representative and Senator from Tennessee and he served as the Chairman of the National Republican Committee from 1977-1981. After President Reagan was elected, Mr. Brock served as U.S. Trade Representative until 1985 when he became the Secretary of the Department of Labor. In 1987, Mr. Brock left government service to become a consultant on trade issues. Mr. Brock continues to have ties to the Republican party: he served as one of the heads of then-candidate Bush's 2000 Maryland presidential campaign; and he was appointed by President Bush to chair the West Coast Port Worker Lockout Panel.

33. Ken Rietz took a leave from his position as Chief Operating Officer of Burson-Marsteller to serve as the director of The November Fund. Notably, one of Burson-Marsteller's top clients is the U.S. Chamber of Commerce. Mr. Rietz also has strong ties to the Republican party: he was one of 36 campaign insiders who served as advisors to President Bush's 2000 campaign; before joining Burson-Marsteller in 1989, he worked for a Republican Member of

Congress; and he served as chairman and political director of the Republican National Committee.

34. Clearly Mr. Fuller, Mr. Brock and Mr. Rietz are all closely connected to a "political party committee," *i.e.* the Republican party, and all three men have ties to the Bush Administration. These connections, when considered in concert with Bush-Cheney '04 campaign manager Ken Mehlman's meeting, sponsored by the Chamber of Commerce, to discuss ways that trade associations could assist President Bush's re-election effort, satisfy the "conduct standard."

35. Because The November Fund's planned communications meet the three part test for coordinated activity, its communications are prohibited under the FECA. 2 U.S.C. §441a(7).

COUNT III

36. Corporate expenditures in support of political candidates are prohibited. 2 U.S.C. §441b(a); McConnell v. FEC, 540 U.S. 39, 124 S.Ct. 619 (2003). The United States Chamber of Commerce is a corporation not registered as a political committee with the FEC. As a result, the Chamber of Commerce is prohibited from making expenditures within the meaning of the Act.

37. Nonetheless, the Chamber of Commerce made a \$500,000 expenditure to The November Fund and plans to contribute more money to the Fund.

38. The Chamber of Commerce's stated purpose in contributing the money to The November Fund was to prevent Senator John Edwards from becoming the Vice President of the United States. A Chamber of Commerce press release quotes Chamber President and CEO Tom Donohue saying, "[w]e cannot ignore what may prove to be a make-or-break election for legal reform at the national level." "When voters go to the polls, they need to know lawsuit abuse

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destroys jobs, drives doctors out of business and forces companies into bankruptcy. The extraordinary circumstances surrounding this election have compelled us to support two important new initiatives [one of which is The November Fund]." *U.S. Chamber Enters Political Debate for Next White House, Calls Legal System Abuses too Important to Ignore. U.S. Chamber of Commerce Press Release*, August 24, 2004 (attached as Exhibit J).

39. Similarly, in an appearance on Lou Dobbs Tonight, when asked why the Chamber was taking an active role in the presidential election, Tom Donohue stated that the Chamber had stated that if John Edwards were put on the ticket, "we [the Chamber] would review our longstanding practice of not engaging in the presidential campaign. Transcript of Lou Dobbs Tonight, September 1, 2004, 18:00 ET (attached as Exhibit K). Mr. Dobbs then queried "And John Edwards, why?" Mr. Donohue replied "If Edwards is in the second most powerful seat in America, he will be involved in the appointment of 1,000 regulators, probably 25 or 30 appeals court justices, and the way we figure it, four Supreme Court justices. Is that what we want in this country? I don't think so." *Id.*

40. Because the Chamber of Commerce demonstrably contributed \$500,000 to The November Fund for the express purpose of defeating the candidacies of Senators John Kerry and John Edwards, the Chamber has made an illegal corporate contribution. 2 U.S.C. § 441b(a).

COUNT IV

41. The November Fund is in violation of the provisions of the FECA regarding "electioneering communications." An "electioneering communication" is "a broadcast, cable or satellite" communication that refers to a clearly identified candidate, is publicly distributed for a fee within 60 days of a general election or 30 days of a primary or preference election or

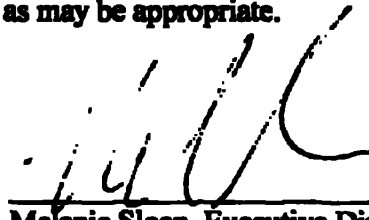
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nominating convention or caucus . . . Op. FEC, 2003-37 at 4, *citing* 2 U.S.C. § 424(f)(3)(A)(I); 11 C.F.R. §100.29. "A payment for a communication that promotes, supports, attacks or opposes a identified Federal candidate is 'for the purpose of influencing a Federal election . . . and is therefore an 'expenditure' within the meaning of 2 U.S.C. §431(9) . . .'" AO 2003-37 at 9.

42. The Supreme Court has found that communications that promote, support, attack, or oppose a clearly defined candidate "undoubtedly have a dramatic effect on Federal elections." McConnell v. FEC, 124 S.Ct. at 675. Moreover, "[C]ommunications that promote, support, attack or oppose a clearly identified Federal candidate have no less a 'dramatic effect' on Federal election when aired by other types of political committees, rather than party committees or candidate committees. AO 2003-37 at 3. The Commission has found that such communications, made within 60 days of an election, must be paid for with Federal funds. *Id.* Because Federal funds cannot include corporate, labor organization, or incorporated trade association funds, The November Fund cannot pay for communications that promote support, attack or oppose a Federal candidate with corporate, labor organization, or incorporated trade association funds.

43. Because it appears that The November has collected mainly, if not only, corporate funds -- including the \$500,000 it received from the incorporated U.S. Chamber of Commerce -- it may not use those funds to pay for ads attacking Senators Kerry and Edwards.

WHEREFORE, Citizens for Responsibility and Ethics in Washington requests that the Federal Election Commission conduct an investigation into these allegations, declare the respondents to have violated the federal campaign finance laws, impose sanctions appropriate to these violations and take such further action as may be appropriate.



Melanie Sloan, Executive Director
Citizens for Responsibility and Ethics in
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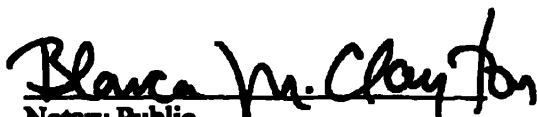
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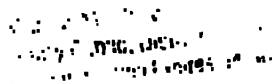
Citizens for Responsibility and Ethics in Washington, acting through Melanie Sloan, hereby verifies that the statements made in the attached Complaint are, upon information and belief, true.

Sworn pursuant to 18 U.S.C. § 1001.


Melanie Sloan

Sworn to and subscribed before me this 21st day of September, 2004.


Notary Public



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EXHIBIT A

Form
(Rev. July 2009)

8871

**Political Organization
Notice of Section 527 Status**

OMB No. 1545-1093

Department of the Treasury
Internal Revenue Service

General Information

1 Name of organization

The November Fund

Employer identification number

86 - 1113305

2 Mailing address (P.O. box or number, street, and room or suite number)

P.O. Box 3

City or town, state, and ZIP code

Alexandria, VA 22313

3 Check applicable box:

☒ Initial notice

☐ Amended notice

☐ Final notice

4a Date established

08/11/2004

4b Date of material change

5 E-mail address of organization

no@gmail

6a Name of custodian of records

Dirk Smith

6b Custodian's address

P.O. Box 3

Alexandria, VA 22313

7a Name of contact person

Dirk Smith

7b Contact person's address

P.O. Box 3

Alexandria, VA 22313

8 Business address of organization (if different from mailing address shown above). Number, street, and room or suite number

P.O. Box 3

City or town, state, and ZIP code

Alexandria, VA 22313

9a Election authority

NONE

9b Election authority identification number

Notification of Claim of Exemption From Filing Certain Forms (see instructions)

10a Is this organization claiming exemption from filing Form 8872, Political Organization Report of Contributions and Expenditures, as a qualified state or local political organization? Yes ☐ No ☒

10b If 'Yes,' list the state where the organization files reports:

11 Is this organization claiming exemption from filing Form 990 (or 990-EZ), Return of Organization Exempt from Income Tax, as a caucus or association of state or local officials? Yes ☐ No ☒

Purpose

12 Describe the purpose of the organization

To engage in political activities that educate the general public regarding the public policy positions of candidates for federal, state, and local office and mobilize voters in compliance with federal and state laws.

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Part IV List of All Related Entities (see instructions)

13 Check if the organization has no related entities. ☒

14a Name of related entity	14b Relationship	14c Address
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Part V List of All Officers, Directors, and Highly Compensated Employees (see instructions)

15a Name	15b Title	15c Address
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Bill Sitzmann

Treasurer

P.O. Box 3

Alexandria, VA 22313

Under penalties of perjury, I declare that the organization named in Part I is to be treated as a tax-exempt organization described in section 527 of the Internal Revenue Code, and that I have examined this notice, including accompanying schedules and statements, and to the best of my knowledge and belief, it is true, correct, and complete. I further declare that I am the official authorized to sign this report, and I am signing by entering my name below.

Dick Smith

08/12/2004

**Sign
Here**

Name of authorized official

Date

EXHIBIT B

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THE HILL

APRIL 20, 2004

527 surge takes Kerry past Bush

By Alexander Bolton

Sen. John Kerry (D-Mass.) and his Democratic allies have raised almost twice as much money as the Bush-Cheney campaign so far this year, according to recent government filings.

The data show that despite the fears of many Democrats, their White House nominee likely will not be significantly hurt by his funding disparity compared to President Bush this election year. The figures also call into question the effectiveness of campaign-finance reform and whether it has in fact wrung special-interest money out of politics.

Twenty-one of the largest Democratic-allied 527 groups — named after a section of the tax code — raised nearly \$57 million in the first three months of this year, according to reports filed last week with the Internal Revenue Service (IRS) and sorted by fundraising watchdog groups such as PoliticalMoneyLine.com and the Center for Public Integrity.

Yesterday, at a closed-door meeting of trade associations hosted by the U.S. Chamber of Commerce on get-out-the-vote practices, Ken Mehlman, manager of the Bush-Cheney campaign, decried the impact of the soft-money groups.

"Thanks to 527s, we will be outspent by the Democrats," said Mehlman, according to a participant who took notes of the meeting. "MoveOn.org is a huge threat and has hurt the president. Every action makes a difference."

So far this year, the groups have spent close to \$52 million, much of it on television ads and other campaign activities designed to affect the presidential race and other federal contests. At the beginning of April, the Kerry campaign announced it had raised \$50 million during the first three months of the year.

Approximately \$14 million of the \$15 million raised by the Joint Victory Campaign, a joint fundraising committee for the Media Fund and Americans Coming Together (ACT), was disbursed to those to groups, according to Political MoneyLine.com, making their fundraising totals appear greater.

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Nevertheless, the groups' fundraising total for 2004 is likely to come close to matching the Bush-Cheney campaign.

An official with the president's re-election campaign said it had raised a few million over \$50 million during the first three months of the year. The campaign will disclose its Federal Election Commission (FEC) report for March today.

The 21 left-leaning groups surveyed matched in three months what they raised in all of 2003.

Almost half of the groups were formed after Congress passed landmark campaign-finance-reform legislation that banned the national parties from raising and spending unregulated contributions known as soft money.

The constellation of groups includes the Joint Victory Campaign 2004, ACT, the Media Fund, MoveOn.org Voter Fund, the New Democratic Network, Service Employees International Union (SEIU) and the American Federation of State, County and Municipal Employees.

By contrast, the few Republican-aligned 527s in operation that are expected to affect the White House and congressional races have raised paltry amounts.

The most successful group, The Club for Growth, raised \$953,000 during the first quarter, bringing its fundraising total for the cycle to \$3.6 million. The Leadership Forum, a group that GOP strategists had envisioned as the "go-to" fundraising organization for House Republicans raised a mere \$101,000 since January. That total put it far behind the College Republican National Committee's \$1.1 million effort. As it turns out, the college Republican group was one of the most prolific GOP-inclined soft-money groups.

The Republican Governors Association (RGA) raised \$5 million in the first quarter, but the new campaign-finance law makes it extremely difficult for the RGA to have an impact on federal races because it is a state political party and subject to stricter rules than other 527s.

Wealthy individuals and labor unions, many of the same donors who gave millions of dollars in unregulated soft money to the Democratic Party when they were allowed, have fueled the surge in liberal 527 fundraising.

Hollywood producer Steve Bing, head of Shangri La Entertainment, gave \$5 million to the Joint Victory Campaign, Peter Lewis, president

of Progressive Corp., gave \$2 million to the fund, and Daniel Abraham, president of Slim-Fast, gave \$500,000. The Media Fund received \$1 million from the service employees union and \$750,000 from the American Federation of Teachers. SEIU gave \$500,000 to ACT.

Billionaire financier George Soros, who has become a sort of boogeyman in the eyes of Republicans, who frequently cite his publicly stated desire to spend millions to defeat Bush, gave \$1 million to the MoveOn.org Voter Fund and \$300,000 to campaign for America's Future.

The explosion of 527 fundraising could also have a significant effect on congressional races. Presidential battleground states such as Florida, Pennsylvania and Washington have competitive Senate races.

"I think it's something we have to be concerned about," said Dan Allen, spokesman for the National Republican Senatorial Committee. Allen noted that NRSC has two and a half times as much cash on hand as its Democratic counterpart.

The torrid fundraising pace of Kerry and his allies gives new urgency to GOP efforts to halt the bulk of these fundraising efforts through either the FEC rulemaking process or a federal court order. Republicans contend that by relying on outside 527 groups Democrats are breaking the law and participating in a massive conspiracy.

But those GOP efforts are faltering. After holding two long days of hearings on 527s last week, members of the FEC said it was doubtful that they would be able to adopt new rules for the groups by the May 13 target date.

"It's clear from the discussion that nobody knows what to do," said Bob Bauer, an election lawyer with Perkins Coie, who represents ACT and testified last week before the FEC.

And the commission has not formally considered a complaint filed last month by the Republican National Committee and the Bush-Cheney campaign. Republicans had requested the agency consider the complaint at a closed-door executive session scheduled for April 13. The session was canceled and the next one is scheduled for April 27.

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web site design • development

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EXHIBIT C

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U.S. Chamber will help pay for ads attacking Edwards, trial lawyers

By Shere Dahn

Of the Post-Dispatch

Tuesday, Aug. 24 2004

Tort reform, including caps on medical malpractice damage awards, is the nation's top business concern, John W. Bachmann, chairman of the U.S. Chamber of Commerce, said in Clayton Tuesday.

"The No. 1 issue concerning business and medicine today is tort reform," said Bachmann, a senior partner of the Des Peres-based Edward Jones investment firm.

Bachmann outlined the top issues that the organization is championing. The chamber, the nation's largest business lobbying organization, said Tuesday it would help pay for ads that attack Democratic vice presidential nominee John Edwards and other trial lawyers for allegedly driving up health care costs.

The Edwards-John Kerry campaign criticized the multimillion-dollar ad campaign as an example of President George W. Bush "allowing shadowy outside groups to do his dirty work," spokesman David Wade said.

The ad campaign, to run in seven battleground states, will be funded by a political action group the chamber formed called the November Fund. Campaign law bars political parties from taking large unregulated donations from corporations and individuals, but it allows third-party groups such as the November Fund - known as 527s for the section of the IRS code that grants them tax exemptions - to raise unlimited money to promote issues or candidates.

Tort reform is a key issue for business, Bachmann said. "The trial bar is a frightening thing," he said, referring to plaintiffs' attorneys in a speech before about 100 people at a Clayton Chamber of Commerce luncheon.

Locally, Bachmann slammed Madison County as having "as sympathetic a jury as there is." The county is commonly referred to by tort reformers as the "plaintiffs' paradise" because juries and judges often hand out multimillion-dollar malpractice damage awards.

Missouri needs tort reform as well, Bachmann noted, adding that reform bills were killed in the state and in Congress this year.

"We really need relief in this area," Bachmann said.

For small businesses, the top issue is the cost of health care, he said, calling cost containment essential.

"The chamber does not have an answer, but we do provide a forum to sit down and talk," he said.

Outsourcing of jobs, a hot-button issue for many labor unions and unemployed Americans, is the second greatest issue of concern for the national chamber, he said.

"If things can be done less expensively in other parts of the world and standards of living and wealth can be maintained, companies will go there," Bachmann said.

The Sarbanes-Oxley Act of 2002 - designed to strengthen corporate governance following accounting scandals - needs revision, Bachmann said.

"It has areas that go too far," he said. In particular, he said, the act requires an "enormous amount of auditing systems that are very redundant with what companies already are doing."

While the act needs tinkering, Bachmann said the chamber would rather have it in place, "warts and all."

Bloomberg News contributed to this report.

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EXHIBIT D

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JOURNAL

Friday, September 3, 2004

ADS SET TO TARGET TRIAL ATTORNEYS

But Election Lawyers Wonder Whether They're Allowed Under McCain-Feingold Law

BY STEPHANIE FRANCIS WARD

An advertising campaign targeting the work of trial attorneys may run afoul of federal election campaign laws because of its plan to identify John Edwards, the Democratic vice presidential candidate.

The advertising campaign is sponsored by the November Fund, which is receiving much of its funding from the U.S. Chamber of Commerce, a nonprofit corporation that advocates for the interests of business.

The chamber announced Aug. 24 that it is supporting the November Fund, a tax-exempt group co-chaired by Craig Fuller, former chief of staff to Vice President George H.W. Bush, and Bill Brock, a former Tennessee senator and past chairman of the Republican National Committee. The ads are slated to appear in swing states before the upcoming presidential election.

Under the McCain-Feingold Act, it is illegal for corporations to fund political advertising on television or radio within 60 days of a general election if that advertising mentions specific candidates for federal office.

The November Fund is one of many groups that have tax-exempt status under section 527 of the Internal Revenue Code. Such groups may collect six-figure contributions that are forbidden for candidates and political parties.

Educating voters "about the devastating impact of a runaway legal system" is the goal of the advertising campaign, the chamber of commerce said in a news release announcing its support for the November Fund.

"We cannot ignore what may prove to be a make-or-break election for legal reform at the national level," Thomas Donohue, chamber president and CEO, said in the release. "When voters go to the polls, they need to know lawsuit abuse destroys jobs, drives doctors out of business and forces companies into bankruptcy."

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Eric Wohlschlegel, the chamber's director of media relations, says it gave an initial \$500,000 to the November Fund, "and we're planning to raise millions more."

On Aug. 25, Ken Rietz, director of the November Fund, told the Associated Press that the group plans to use TV ads and mailings that would likely feature Edwards, who was a high-stakes plaintiffs attorney before entering the U.S. Senate from North Carolina. Shelly Hymes, who handles public relations for the November Fund, confirmed that Rietz's statement was accurate.

Neither the chamber nor the November Fund would comment on how the planned advertisements could comply with McCain-Feingold. Election lawyers say the law may restrict the ad campaign more than its sponsors intend. Campaign finance law does not prohibit the use of corporate funds for print advertisements or mailers, but many say such media are significantly less effective than television and radio ads.

"I think the legal reality is that they are not going to be able to run radio or television ads that refer to Edwards," says Trevor Potter. The Washington, D.C., lawyer co-chairs the elections committee in the ABA's Section of Administrative Law and Regulatory Practice. "They can talk about trial lawyers all they want, but if they mention Edwards, have his picture or talk about the Democratic nominee, they can't do it on radio or TV, because the chamber is incorporated," he says.

There is an exception to the 60-day ban, Potter says, for nonprofits that do not use corporate funds.

"I don't think it's possible that a group created by the chamber of commerce would have a policy of not accepting corporate funds," he says.

Parts of the campaign finance law, signed by President Bush in 2002, are unclear, according to Washington, D.C., lawyer Craig M. Engle, particularly since this is the first presidential election during which it has been applied. A former general counsel to the National Republican Senatorial Committee, he refers to the ban on radio and television ads as a "brownout period," because not all advertising forms are prohibited.

"Everybody would like to know how this law is going to work, but we'll only know that after we've finished our work during the brownout period," he says. "Because the law is new, I'm certain the chamber would be acting in good faith. In my opinion, the chamber is out there to follow the law, and they have no intention of bending the law."

Another issue in the debate over section 527 committees, according to Potter, is that the Federal Election Commission has been reluctant to enforce laws governing them, "primarily because the committee has been made up of three

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Democrats and three Republicans who have been deadlocked all year." He adds that the commissioners have said they should wait until the election is over to make any decisions so their actions don't interfere with the political process.

"I find that extraordinarily odd," Potter says, "because administrative lawyers should be effective when needed."

In August, the Kerry campaign filed a charge with the FEC alleging that advertisements sponsored by the Swift Boat Veterans for Truth, another 527 committee, are inaccurate and illegally coordinated with Bush's re-election campaign. Shortly after the complaint was filed, an attorney with the president's campaign admitted that he had been providing legal advice to the 527 and later stepped down.

The president announced that he would join Sen. John McCain, R-Ariz., in filing a lawsuit with the FEC seeking a clampdown on political attack ads sponsored by 527s.

"The question I have for the president is whether or not he's going to join the lawsuit as the head of the Republican Party or as the head of the Justice Department," Engle says. "The problem with him speaking about this, in terms of being a government official, is that the FEC is the government entity that is in charge of interpreting these laws."

So far, Edwards doesn't seem too worried about the November Fund's ad proposal.

"Sen. Edwards is proud of his record of fighting for children and families without a voice," says Kim Ruby, his communications director. "These negative attacks have never worked in the past, and voters will see through them again."

EXHIBIT E

— 28044210593 —

<http://www.newsobserver.com/politics/politicians/edwards/story/1564657p-7754227c.html>

The News & Observer NC

Published: Aug 25, 2001
Modified: Aug 25, 2001 8:29 AM

Ads to direct fire at lawyers, Edwards

Business, GOP groups fund blitz

By BILL KRUEGER, The Associated Press

Business interests and a group of Republican operatives are planning a media campaign that will criticize trial lawyers and Democratic vice presidential candidate John Edwards of North Carolina.

"What we are going to do is educate voters about the trial lawyers and what they have done to increase the cost of health care and make health care less accessible," said Ken Rietz, director of the November Fund, a new organization formed with the backing of the U.S. Chamber of Commerce and other business groups.

The November Fund is part of the latest phenomenon in national politics -- so-called 527 committees. Such committees can accept large "soft money" donations that political candidates and parties cannot.

Co-chairmen of the November Fund are Craig Fuller, who was chief of staff to George H.W. Bush when Bush was vice president under Ronald Reagan, and Bill Brock, a former chairman of the Republican National Committee.

Rietz said the fund was likely to feature Edwards, North Carolina's senior senator, in its television ads and mailings. He said he did not know whether such ads would air in North Carolina.

"Because he is a trial lawyer and received significant financial backing from trial lawyers, he will be part of the campaign," Rietz said.

Kim Rubey, a spokeswoman for Edwards, said voters would reject such "baseless, negative attacks."

"Senator Edwards is very proud of his record of standing up for families and children," Rubey said. "He will continue to fight for children and families all over the country."

David Kirby, Edwards' former law partner in Raleigh, said the campaign is an unfounded attack on trial lawyers.

"It's to be expected that these special interests would attack John Edwards when he has spent his career trying to fight them," Kirby said.

"John will confront these ads head-on. That's always been his style."

Staff writer Bill Krueger can be reached at 829-4522 or bkrueger@newsobserver.com.

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EXHIBIT F

28044210595

----- Original Message -----

From: [REDACTED]
At: 8/24 9:36

FOR IMMEDIATE RELEASE

Contact: Shelley Hymes 202-363-3438

Date: August 24, 2004

New 527 Will Tell The Truth About Trial Lawyers

Washington, DC - A new 527 political organization announced today that it will conduct a campaign to "tell the truth about trial lawyers" including a discussion of John Edwards' legal career. The announcement was made by the Co-Chairs of The November Fund, Craig Fuller and former Senator and Republican National Committee Chairman, Bill Brock.

Fuller, who served as Chief of Staff to Vice President Bush, said the organization will focus on key battleground states and will "educate voters how much the actions of trial lawyers cost our economy over \$200 Billion a year. The health of our economy is an important issue in this election. Frivolous law suits are costing ordinary Americans over \$3,000 a year per family in extra costs for everything from cars to childcare to prescription drugs."

Brock said, "Unscrupulous personal injury lawyers have driven up the cost of our healthcare and have made quality medical care less accessible. Doctors are giving up because they can't afford to pay the large cost of medical malpractice insurance, which in many cases has skyrocketed to over \$100,000 per year. Affordable healthcare is an important issue in this campaign, and it is time to tell the truth about the role John Edwards and the trial lawyers have played in driving up healthcare costs."

Fuller said the organization will educate voters about the "trial lawyers influence on our courts and public officials." The November Fund pointed out that in his short political career, John Edwards has received over \$15 Million from trial lawyers, almost half of all contributions he has received.

For more information about the November Fund, contact "THETRUTHABOUTTRIALLAWYERS.ORG" or call (703)837-5590. Contributions should be made to The November Fund and mailed to P.O. Box 3, Alexandria, VA 22313.

<http://www.thetruthabouttriallawyers.org/>

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EXHIBIT G

— 28044210597

August 25, 2004
New York Times

CAMPAIGN FINANCING

G.O.P. Group Says It's Ready to Wage Ad War

By GLEN JUSTICE

WASHINGTON, Aug. 24 - A day after President Bush called for an end to campaign spending by independent groups, one such Republican organization said on Tuesday that it had raised \$35 million to counter Democratic attacks on television and hoped to wage a \$125 million advertising campaign through Election Day.

The organization, the Progress for America Voter Fund, is the first Republican group to announce that it had raised a substantial amount of money to compete with Democratic-leaning groups that have collected tens of millions of dollars to attack the Bush-Cheney campaign on television.

Others may be poised to follow.

"We don't disagree with the president's take," the president of the group, Brian McCabe, said. "But we can't unilaterally disarm. There is extensive activity by the liberals, and we still need to counter them and level the playing field."

On Wednesday, the organization will begin commercials in Iowa and Wisconsin that attack Senator John Kerry's record on national security. Mr. McCabe said his group hoped to keep the spots running in the two states through the election and to add states as it raised money.

The Republican group begins its campaign as members of both parties argue the role of advocacy groups in the election, particularly so-called 527 committees that can collect the six- and seven-figure "soft money" checks forbidden to candidates and parties by campaign finance laws.

The fight intensified after Swift Boat Veterans for Truth, which has Republican links, made headlines with commercials that questioned Mr. Kerry's Vietnam War record. The advertisements started a round of accusations between the Bush and Kerry campaigns that resulted in the president's addressing the issue on Monday.

"I don't think we ought to have 527's," Mr. Bush said. "I think they're bad for the system."

Indeed, Republicans spent months arguing that the 527 committees were illegal and should be regulated. When the Federal Election Commission declined in May to impose tough regulations on those groups, many Republicans promised to begin raising money. Only lately have they gained traction.

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Mr. McCabe's group has led the way, following the Democratic model of reaching out to wealthy partisans across the country. Organizations like the Media Fund, America Coming Together and the MoveOn.org Voter Fund have spent months soliciting donors like George Soros, the financier and philanthropist, and Peter B. Lewis, chairman of the Progressive Corporation, the insurance company.

Though the Progress for America Voter Fund entered July having raised \$2.3 million, it received an enormous lift when Alex Spanos, the owner of the San Diego Chargers, and Dawn Arnall, a Republican donor from California, each agreed to contribute \$5 million to the organization and to raise money on its behalf, Mr. McCabe said.

At least seven other donors have committed a minimum of \$500,000 each, including Carl H. Lindner, chief executive of the American Financial Group; A. Jerrold Perenchio, chief executive officer of Univision; and T. Boone Pickens, the corporate investor.

The group used a team of professional fund-raisers around the country to gain access to major Republican donors and then cited the threat of Democratic advocacy groups in securing contributions and pledges.

"We showed them what the liberal 527's have done, what they spent and what we need to do to counter them," Mr. McCabe said. "When we sat down with people one on one and started to talk to them, that's when the process started taking off."

Some Republicans have said the organization gained steam last year when Karl Rove, Mr. Bush's top political strategist, and Ken Mehlman, his campaign manager, spoke at a briefing for Progress for America, a separate organization that formed the Voter Fund last May.

The fund now plans to use the Republican convention to raise still more money, setting up at the Ritz Carlton, where top fund-raisers are staying, to tap as many rich Republicans as they can.

"We have a long way to go," Mr. McCabe said. "But we have really picked up the pace."

His group is not the only one at work.

The November Fund, financed by the United States Chamber of Commerce and other business interests, plans to raise and spend \$10 million attacking Senator John Edwards and his connection to trial lawyers. The group is run by Craig L. Fuller, an aide to President Ronald Reagan and chief of staff to his vice president, George H. W. Bush, and Bill Brock, former senator, labor secretary and Republican national chairman.

"I'm sympathetic to the president's concerns, but we are starting with one arm tied behind our back already," Mr. Brock said. "Democrats have been abusing this process for a long time."

Another group, American Resolve, was formed last month by John H. Sununu, the former White House chief of staff and governor of New Hampshire, and Grover G. Norquist, president of Americans for Tax Reform.

American Resolve's name is gleaned from President Bush's speech after the Sept. 11, 2001, attacks. Its goal is to counter Democratic statements about Mr. Bush's record and policies.

Officials did not return calls for comment, and it is not clear how much money the organization intends to raise. But David M. Carney, a former White House political director who is its executive director, promised to "turn the tables on the pro-Kerry front groups and fight fire with fire" in a statement that announced the formation of the group.

Groups that support Democrats are continuing to raise money for advertisements that attack Mr. Bush. Democrats embraced fund-raising through the 527 committees last year and, in contrast to the Republicans, never wavered while the election commission was weighing whether to restrict the committees.

The organizations have drawn on a list of well-known Democrats to lead them. Harold M. Ickes, former chief of staff for President Bill Clinton, runs the Media Fund. Steve Rosenthal, former political director for the A.F.L.-C.I.O., is in charge of the ground operation for ACT. And Ellen Malcolm, who runs Emily's List, the largest political action committee in the country, raises money for both organizations.

Together, ACT, the Media Fund and another committee that raises money for both gathered almost \$62 million through June, according to PoliticalMoneyLine, which tracks campaign finance. The groups also have pledges from others, and Mr. Ickes said the total was closer to twice that.

Mr. Ickes said the money raised by the Progress for America Voter Fund is enough to mount a credible campaign in battleground states, depending on the types of advertisements and their schedule. He said Democrats would hold their own.

"We'll be in this right down to the wire," Mr. Ickes said.

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EXHIBIT H

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Republicans Form '527' Group to Run Anti-Edwards Spots

August 24, 2004; Page A4
Wall Street Journal
Alan Murray

The political ad wars are about to get nastier.

A group of well-connected Republicans, backed by the U.S. Chamber of Commerce, has formed a new group to run advertisements in battleground states attacking Sen. John Edwards, the Democratic vice-presidential nominee, and his ties to trial lawyers.

The group, called The November Fund, intends to raise several million dollars to spotlight the damage they believe abusive lawsuits cause the economy, and to highlight Sen. Edwards' career as a trial lawyer and his ties to the trial bar.

"I'm just sick to death of the abuse of doctors, women, insurers by too many of these trial lawyers that have just lost any sense of balance. It is really scary," said former GOP Senator Bill Brock, who will co-chair the new group along with Craig Fuller, chief of staff to George H.W. Bush when he was vice president.

The announcement of The November Fund came on a day when President Bush called for the abolition of such independent political groups, known as "527s" under the campaign finance laws.

"I don't think we ought to have 527s," President Bush said in response to questions about another group, Swift Boat Veterans for Truth, an anti-Kerry organization. "I can't be more plain about it. I hope my opponent joins me in condemning the activities of the 527s. I think they are bad for the system."

The campaign finance reform law bans corporations and labor unions from running political advertisements 60 days before an election, and requires candidates to appear in their own advertisements. One goal of the reforms was to discourage attack ads unless a candidate was willing to take responsibility for them.

But 527 groups, which are prohibited from coordinating their efforts with the campaigns, provide an easy means of circumventing the law's intent. "It is our legal right" to run these ads, Mr. Fuller said. Asked whether he thought groups like The November Fund are "bad for the system," Mr. Brock replied: "That horse left the barn, left the corral and left the ranch months ago. The Democrats have spent over \$100 million on 527s."

Sen. Edwards makes no apologies for his background. His experience as a trial lawyer is at the center of his book, "Four Trials," and many of his political

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advisers believe that background is, if anything, a political plus. In an NBC News poll last month, 69% of respondents said his past work as a trial lawyer would not make a difference to their vote. Only 14% said it would make them less likely to vote for him, and another 14% said it would make them more likely to vote for him.

But many businessmen are up in arms about abusive lawsuits, and The November Fund will surely work to inflame their passions.

Sen. Edwards and his aides point out that he has never filed a class-action lawsuit, which are often cited by many businessmen as the source of the worst abuses. In some cases, class-action lawsuits enrich the lawyers involved, but provide only modest benefits to the many defendants who are defined as part of the "class." Sen. Edwards' aides also point out that as a senator, he has sponsored provisions to banking and finance laws that were strongly opposed by lawyer groups.

But Mr. Brock made it clear the group doesn't intend to cut Senator Edwards any slack. "He's only run for office once, and he got \$15 million from the trial bar," Mr. Brock said. "That's what bought his election in North Carolina. It makes you wonder whom he's beholden to. And his personal fortune came entirely from such suits."

The Chamber of Commerce has already given the new group a half-million dollars in "start-up" funds, and Thomas Donahue of the Chamber said "we will give them significantly more, and I'm going to help them raise funds." The chamber traditionally refrains from endorsing a presidential candidate, and Mr. Donahue said his group will not endorse President Bush. But there won't be any doubt about its intentions in this election.

"We are going to run a campaign that says there is a runaway legal system in this country," Mr. Donahue said. "We have an acute problem here. If Edwards ends up in the second most important job in the government, he will influence the appointment of at least a thousand people in the government, and he will be a party to naming the next four justices on the Supreme Court."

Ken Rietz has taken a leave of absence from his job as chief operating officer of Burson Marsteller to run the new fund. Messrs. Fuller and Brock say they hope to have advertisements on the air in battleground states by mid- to late September.

Write to Alan Murray at alan.murray@wsj.com⁷

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EXHIBIT I

28044210604

The November Fund
Clips
August 30, 2004

BILL BROCK, CO-CHAIR, THE NOVEMBER FUND: We've got to respond, but we're not going to respond in the same way. We're not going to play that game. We're going to have ads that discuss the issue on its merits. We're going to talk about its effect on business, on workers, on men, women, families, and then hopefully we'll elect some people that will vote to change things next year. (need cite)

Looks like Ken Rietz gave an interview to PR week about the upcoming ads. I don't think I've ever seen the ads characterized like this: "Known as The November Fund, the group will run ads and media campaigns in swing states linking Edwards to frivolous lawsuits believed by the chamber to damage American companies and the economy. The chamber is the largest lobbying and advocacy group representing the interests of US business."

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PR Week (US)

August 30, 2004

SECTION: Pg. 1

LENGTH: 349 words

HEADLINE: US CHAMBER HELPING FORM ALLIANCE CRITICAL OF EDWARDS' LAW CAREER

BYLINE: By Douglas Quenqua

BODY:

WASHINGTON: The US Chamber of Commerce is helping to launch a 527 group assailing vice presidential candidate John Edwards for his former career as a trial lawyer. The effort will be led by Burson-Marsteller COO Ken Rietz.

Known as The November Fund, the group will run ads and media campaigns in swing states linking Edwards to frivolous lawsuits believed by the chamber to damage American companies and the economy. The chamber is the largest lobbying and advocacy group representing the interests of US business.

Although The November Fund is not formally tied to the chamber, it has already received half a million dollars in funding from the advocacy group, with assurances of further fundraising assistance.

Named for the section of the tax code under which they operate, 527s exploit a loophole in campaign-finance law to raise and spend unlimited funds on election advertisements and media campaigns.

The chamber is a longstanding client of Burson's. Nonetheless, Rietz has taken a leave of absence from the firm to act as The November Fund's director.

'Burson has a policy of not being involved in candidates' campaigns in any way, so I took a leave of absence so the company would not be involved,' he said.

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Rietz added that he will return to Burson following the election in November.

Chamber president Thomas Donahue had warned Democrats earlier this year that his group would drop its 'customary neutrality' in order to campaign against Edwards if he were selected as John Kerry's running mate. The chamber still does not intend to make an official endorsement, he said, but will act aggressively through The November Fund to assure Bush's re-election.

'We (will) run a campaign that says there is a runaway legal system in this country,' Donahue told The Wall Street Journal. 'We have an acute problem here. If Edwards ends up in the second- most-important job in the government, he will influence the appointment of at least a thousand people in the government, and he will be a party to naming the next four justices on the Supreme Court.'

LOAD-DATE: August 27, 2004

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EXHIBIT J

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<http://www.uschamber.com/press/releases/2004/august/04-116.htm>

U.S. Chamber of Commerce
www.uschamber.com

CONTACTS: Linda Rozett/Eric Wohlschlegel
(202) 463-6882 / 888-249-NEWS

Tuesday, August 24, 2004

U.S. Chamber Enters Political Debate for Next White House
Calls Legal System Abuses too Important to Ignore

WASHINGTON, D.C. – The United States Chamber of Commerce announced it would participate in two new political initiatives to educate voters about the devastating impact of a runaway legal system on the American way of life – during this fall's presidential campaign.

"We cannot ignore what may prove to be a make-or-break election for legal reform at the national level," said Thomas Donohue, Chamber President and CEO. "When voters go to the polls, they need to know lawsuit abuse destroys jobs, drives doctors out of business and forces companies into bankruptcy. The extraordinary circumstances surrounding this election have compelled us to support two important new initiatives."

The Chamber is joining others in supporting a new 527 Group called The November Fund, which aims to raise public awareness about lawsuit abuse. The group is co-chaired by Craig Fuller, former chief-of-staff to Vice President Bush, and Bill Brock, former Senator and Republican National Committee Chair.

This team has identified seven battleground states where there is the greatest potential to effectively educate voters through a concerted program of TV, radio and print advertising and direct mail, an Internet campaign, and earned media discussing the truth about trial lawyers.

"The impact of the trial bar's influence on the legal, legislative, regulatory and economic decisions of an administration is impossible to calculate," said Donohue.

In addition, while maintaining its policy of not issuing endorsements in presidential elections, the Chamber will run a voter education program in 6-10 key states, stressing legal reform issues with its federation members. The program will highlight the growing political influence of the trial bar and remind the business community of the dangers of having this group closely aligned with the White House.

These initiatives add to an already aggressive political program. The Chamber endorses pro-business Senate and House candidates of both parties and is mobilizing the business vote through a Web-based voter registration, education and get-out-the-vote program called VoteForBusiness.com. The U.S. Chamber Institute for Legal Reform supports voter education efforts in state Supreme Court and attorney general races that have begun to fundamentally change the legal environment for business.

The U.S. Chamber of Commerce is the world's largest business federation representing more than three million businesses and organizations of every size, sector and region.

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<http://www.uschamber.com/press/releases/2004/august/04-116.htm>

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EXHIBIT K

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<http://www.cnn.com/TRANSCRIPTS/0409/01/dt.01.html>

LOU DOBBS TONIGHT

Aired September 1, 2004 - 18:00 ET

My guest tonight has said that outsourcing will actually boost the wealth and the living standards of Americans overall. The president and CEO of the U.S. Chamber of Commerce is Tom Donohue, and he joins us tonight.

Good to have you here, Tom.

TOM DONOHUE, PRESIDENT AND CEO, U.S. CHAMBER OF COMMERCE:
Thank you very much. Good to be back.

DOBBS: But let's begin with, first, the chamber's involvement in this race. For the first time, you're taking an active role in a presidential election. Why?

DONOHUE: Well, we have said for a long period of time that if they were to take John Edwards and put him on this ticket that we would review our longstanding practice of not engaging in the presidential campaign.

DOBBS: And John Edwards, why?

DONOHUE: John Edwards is a trial lawyer who received the major portion of all his support to run for office and to run for president and run for vice president from the worst of the class-action lawyers. And we are asking people a simple question. If Edwards is in the second-most powerful seat in America, he will be involved in the appointment of 1,000 regulators, probably 25 or 30 appeals court justices, and the way we figure it, four Supreme Court justices.

Is that what we want in this country? I don't think so.

DOBBS: It's obviously what you and the chamber have decided you don't want, but is there anything in the ticket, the formation of the Democratic ticket, that could have persuaded you to have supported the Democratic ticket?

DONOHUE: We support a lot of Democrats in the House and the Senate. Some of our people were just down in Arkansas supporting Blanche Lincoln and others. We would have stayed out of the presidential activity had any other Democrat been appointed.

Now, let me make one point.

DOBBS: Sure.

DONOHUE: We are not endorsing Bush. We are not opposing Kerry. We are going to go into the battleground states in a number of ways and raise these issues about Edwards.

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And if it has a positive effect, fine.

DOBBS: But you've formed a 527 group, the November Fund, specifically for this purpose, right?

DONOHUE: Others formed the fund, which we're going to support. Literally, they called up, two of them called up...

DOBBS: Is -- you know, it's amazing to me, Tom...

DONOHUE: No, I would have formed it...

DOBBS: ... do you, do you, do you...

DONOHUE: ... I would have formed it...

DOBBS: ... find it amusing at all, whether it's Kerry or whether it's Bush, neither Republicans nor Democrats, your organization or any other, seems to have any direct connection ever to these...

DONOHUE: Absolutely, I have an absolute...

DOBBS: ... amorphous 527s.

DONOHUE: ... direct collection to them. We're going to support them in a vigorous way. And the people that are running them, we know very much.

DOBBS: OK.

DONOHUE: But we're -- Very well. We are going to do this by the law. We're not going to do how a lot of those Democratic funds have done, where they won't report their givers, say, they say, Find us, fine us, that whether they're a party to the campaign. We're not having any of that.

DOBBS: But President Bush really said, Let's back away from these 527s. Let's get out of that business altogether. The fact that you're going after Edwards because he is a longstanding member of the trial bar, it's a little difficult not to be against Senator Kerry, if you're against Senator Edwards, isn't it?

DONOHUE: Well, I want to reserve the right not to go into the next presidential election. And I think we have found a way to say we've spent \$100 million on legal reform in the last three years and made great progress. And it's a runaway legal system in this country. You know it in your own business. You know it, it's helping drive jobs out of this country.

And we really thought it was absolutely essential to do this. And I think we found the

right way to do it. And we're going to do it with honor and character.

DOBBS: Well, I applaud you and laud you for that.

You've also been supporting outsourcing by corporate America, which I cannot be quite so laudatory about.

DONOHUE: Well, I understand that.

DOBBS: The labor secretary today, as Terry McAuliffe, the chairman of the DNC, pointed out, saying outsourcing is good for America. At a time when this president is running the very real risk, as you know, of being the first president since Herbert Hoover -- and this is the mantra coming straight from the Democratic Party, they're using this fact daily, nearly. But the fact remains, he could be the first president since Herbert Hoover to have actually lost jobs, net jobs, in the course of his presidency his first term.

DONOHUE: Well, of course, we do know one fundamental number. And that is, there are more people working in the United States today than in any time in our history.

DOBBS: Yes, but...

DONOHUE: Wait, this...

DOBBS: ... but Tom, you're too bright, you have too much integrity. I like you too much for you to do that. The fact is, I said net loss. And that's what we live in this country. We have more people living here today than we ever have in our life.

DONOHUE: That's exactly right. And we have, and what we're doing in outsourcing, by the way, it's minuscule. We have outsourced 250,000 to 300,000 jobs in the last 18 to 20 months. Our insourcing -- now, we're not talking about manufacturing. Insourcing on the exact same type of business, we're talking clerical, financial, all of that, they're...

DOBBS: We're talking engineers.

DONOHUE: Yes, engineers...

DOBBS: We're talking programmers, we're... DONOHUE: ... we're talking that -- insource -- Exactly. Insourcing is \$60 billion a year more in the United States than we outsource. Look, I'm sorry about those numbers, but that's what they are.

DOBBS: You ought to be sorry about the numbers, Tom, and you and I both know why. The fact is, you're talking about foreign direct investment in the world's richest consumer economy, and that is the price of doing business here.

DONOHUE: No, I'm not.

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DOBBS: (UNINTELLIGIBLE)...

DONOHUE: I'm talking about outsourcing and insourcing.

DOBBS: All right. Let me ask you this.

DONOHUE: Shoot.

DOBBS: You want, you care about this economy, you care about ability of business people to do business.

DONOHUE: Absolutely.

DOBBS: Why is it such a stretch for you and the chamber, for this administration, for this Republican Party and much of the Democratic Party, to simply say you're going put as a priority the quality of life for middle class Americans and those who aspire to be part of it, and step back from this?

Because it is so clear. We have a \$600 billion trade deficit. People in your organization tell us they want to compete. They're not doing a very good job. The president of the United States says we're going to drive economic growth. We're losing over a percentage point on GDP growth because of that deficit that's chronic. It's been here for 28 years.

DONOHUE: Well, there's no question...

DOBBS: Why not be straight about it?

DONOHUE: There's no question there's a deficit. I think you're very straight about it if you say that the great preponderance of the deficit came from homeland security, post-9/11, and from the Iraqi war. You can also look at the tax issue. And if you want to take the top end, where Kerry said that's the only place he's going put the tax back...

DOBBS: Right.

DONOHUE: ... that won't buy him lunch. He's got a plan that would require to take the whole tax deal away and do more.

DOBBS: I'm talking, I guess, perhaps too much in a nonpartisan, bipartisan fashion.

DONOHUE: Well, I'll be (UNINTELLIGIBLE)...

DOBBS: The well-being of the middle class.

DONOHUE: I understand. And I think the middle class are the ones that even Kerry said he'd leave the tax cut with. The bottom line is, we're creating jobs. The biggest problem is that by 2010, we'll be 10 million people short to fill jobs in this country. That's the problem.

DOBBS: Tom Donohue, as always, it's good to have you here. It's certainly among the problems. We'll talk about the priority for them. And I hope you'll come back soon to do that.

DONOHUE: I will.

DOBBS: Tom Donohue.

DONOHUE: And I hope you come visit us soon.

DOBBS: You got a deal.

DONOHUE: Thank you.

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